

Education and Workforce Development Cabinet

Kentucky's unemployment rate drops to 7.7 percent in April 2014

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FRANKFORT, Ky. (May 15, 2014) — Kentucky's seasonally adjusted preliminary unemployment rate fell to 7.7 percent in April 2014 from a revised 7.9 percent in March 2014, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary April 2014 jobless rate was .6 percentage points below the 8.3 percent rate recorded for the state in April 2013.

The U.S. seasonally adjusted jobless rate dropped to 6.3 percent in April 2014 from 6.7 percent in March 2014, according to the U.S. Department of Labor.

Labor force statistics, including the unemployment rate, are based on estimates from the Current Population Survey of households. It is designed to measure trends rather than to count the actual number of people working. It includes jobs in agriculture and those classified as self-employed.

In April 2014, Kentucky's civilian labor force was 2,064,835, a decline of 372 individuals compared to the previous month. Employment was up by 3,508, while the number of unemployed decreased by 3,880.

"On an objective level I realize that one good month does not establish a trend. But after three months of lackluster performance the employment numbers are back on track," said economist Manoj Shanker of the OET. "The picture has brightened further with an uptick in labor force participation as well as a reassuringly robust increase in jobs."

In a separate federal survey of business establishments that excludes jobs in agriculture and people who are self-employed, Kentucky's seasonally adjusted nonfarm employment was up by 7,000 jobs to 1,841,100 in April 2014 from the previous month. On an over-the-year basis, the state's nonfarm employment has risen by 6,200 jobs.

Nonfarm data is provided by the Bureau of Labor Statistics' Current Employment Statistics program. According to this survey, six of Kentucky's 11 major nonfarm North American Industry Classification System (NAICS) job sectors registered gains in employment, while four declined and one stayed the same.

Kentucky's trade, transportation and utilities sector gained 4,100 jobs in April 2014. This is the largest sector in Kentucky with 371,700 positions, and accounts for about 20 percent of nonfarm employment. Since April 2013, jobs in this sector have grown by 2,300.

From a month ago retail trade employment was up by 3,300 jobs, and the combined transportation, warehousing, and utilities sub-sector added 800 positions, Shanker said.

“The strong upward movement in retail trade and warehousing jobs is not only important for the people employed in those industries, but it also signals an increase in both business and consumer confidence,” said Shanker.

Kentucky’s leisure and hospitality sector jumped by 2,100 jobs in April 2014. Since April 2013, the sector has gained 2,200 positions. This sector includes arts, entertainment, recreation, accommodation and food services.

The state’s professional and business services sector grew by 1,200 jobs in April 2014. This category includes establishments engaged in services that support the day-to-day activities of other organizations, including temporary employment services. Since last April, jobs in the sector have increased by 1,300.

The subsector associated with temporary employment services added 1,000 positions over the month, and expanded by 1,200 jobs or 1.1 percent over the year.

“Growth in business services, especially support service is a key indicator of economic health. It does, however, send a mixed signal because the addition of new jobs is a positive, but temp jobs typically offer low wages,” said Shanker.

Employment in the mining and logging sector rose by 300 in April 2014. The number of jobs in this sector has gone up by 100 since last April.

The government sector, which includes public education, public administration agencies and state-owned hospitals, added 300 jobs in April 2014. The sector had 2,100 more jobs compared to April 2013.

The financial activities sector posted a gain of 100 jobs in April 2014. Compared to April a year ago, businesses involved in finance, insurance, real estate and property leasing have decreased by 2,200 jobs.

The state’s manufacturing sector employment was unchanged from March 2014 to April 2014. Since April 2013, employment in manufacturing has fallen by 1,200 jobs.

“The softening of the manufacturing market is confined almost entirely to the nondurable goods sector. Kentucky’s durable goods sector continues to grow, especially in the area of transportation equipment,” said Shanker. “The durable sector added 1,200 positions, while the nondurable sector lost the same number of jobs.”

The information sector decreased by 100 positions in April 2014. This segment has declined by 400 positions since April 2013. The industries in this sector include traditional publishing as well as software publishing; motion pictures and broadcasting; and telecommunications.

The state’s construction sector dropped by 200 positions in April 2014 from a month ago. Since April 2013, employment in construction has grown by 400 jobs.

The number of jobs in the other services sector, which includes repairs and maintenance, personal care services, and religious organizations, was down by 200 positions April 2014 from a month ago. Compared to a year ago, 100 jobs have been added.

The educational and health services sector lost 600 positions in April 2014. The sector has gained 1,500 jobs since April 2013.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about Kentucky labor market information at www.kylmi.ky.gov.